

CALIFORNIA GAMBLING CONTROL COMMISSION

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DATE: April 28, 2004

TO: Gambling Control Commission

FROM: Gary Qualset, Deputy Director
Licensing and Compliance Division

SUBJECT: Indian Gaming Special Distribution Fund and Indian Gaming Revenue Sharing Trust Fund Supplemental Report to Legislature per Assembly Bill 673, Chapter 210, Statutes of 2003 (Government Code section 12012.90)

On August 25, 2003, the Commission approved the report to the Legislature as required by Government Code Section 12012.90 and added by Assembly Bill 673, Chapter 210, Statutes of 2003. The bill authorizes the Commission to distribute funds transferred from the Indian Gaming Special Distribution Fund (IGSDF) to the Indian Gaming Revenue Sharing Trust Fund (IGRSTF) to eligible Tribes in accordance with Government Code Section 12012.90. The report identified a likely overpayment in the amount of \$50,358.63 made to a Tribe (Augustine Band Of Cahuilla Mission Indians) for the quarter ended March 31, 2003, based on the results of an audit of eligibility to receive quarterly distributions from the IGRSTF in accordance with the Tribal-State Gaming Compact Sections 4.3.2.1 (a) and (b).

Pending resolution of this issue and for reasons of prudent management of the IGRSTF, the Commission temporarily retained in the IGRSTF the amount of distribution made previously to the Tribe for the above-referenced quarter and a portion of the Tribe's potential share of moneys appropriated by Assembly Bill 673. In addition, the Commission made distribution of moneys transferred to the IGRSTF pursuant to Section 9 of Assembly Bill 673 according to Exhibit 1 attached to the August 25, 2003 Commission staff report to the Legislature.

Commission staff had previously presented a recommendation to the Commission at the Commission meeting of December 18, 2003, that the Tribe was not eligible to receive a distribution from the IGRSTF for the quarter ended March 31, 2003. The Commission continued action on the staff recommendation at the request of the Tribe. The Tribe requested that the Commission defer action on this item so it could request a meet and confer within 10 days of the December 18, 2003, Commission meeting. The meet and confer dispute resolution must be filed with the Governor in accordance with the dispute resolution provision of Compact Section 9.1. As of the date of this report, resolution of this issue and the open eligibility audit is still pending.

If the Commission determines that the Tribe was not eligible to receive the distribution for the quarter ended March 31, 2003, the amount of \$50,358.63 withheld from the Tribe would be redistributed in equal shares to all other 74 tribes eligible during that quarter as additional distribution for the quarter. The equal share to each remaining eligible tribe is \$680.52 for a total of \$50,358.48 as shown in Exhibit 1. This amount was originally paid out of funds deposited into the IGRSTF as license fees and interest payments during the quarter ended

March 31, 2003. Based upon this funding source, the full distribution of all IGRSTF shortfall amounts would be fully distributed for the 2002-03 fiscal year.

Alternatively, if the Commission determines that the Augustine Band of Cahuilla Mission Indians was eligible to receive the distribution for the quarter ended March 31, 2003, all other 74 tribes eligible during that quarter would each receive \$680.52 as additional shortfall distribution determined pursuant to Government Code Section 12012.90 as shown in Exhibit 2. In this case, the distribution will be funded by moneys transferred from the IGSDf pursuant to Section 9 of Assembly Bill 673. Based upon this funding source, the full distribution of all IGRSTF shortfall amounts would be fully distributed for the 2002-03 fiscal year.

The combination of previously approved distributions for the prior fiscal year with this distribution will allow for all eligible tribes to received \$275,000 per quarter in which they are eligible for the 2002-03 fiscal year as provided by Government Code Section 12012.90. A tribe that is eligible for the entire fiscal year would receive \$1.1 million in total.

Irrespective of the outcome of the final determination of Augustine's eligibility for the quarter ended March 31, 2003, the amount that will be distributed to each of the other eligible tribes is \$680.52. For this supplemental distribution, 74 tribes will each receive \$680.52 for a combined total distribution of \$50,358.48. Funding for this final distribution of temporarily retained moneys is available as noted above either from the recovery of the earlier over-distribution from the Tribe or from the moneys transferred from the IGSDf to the IGRSTF per Assembly Bill 673.

RECOMMENDATION: It is recommended that the Commission approve this supplemental report to the Legislature that describes the distribution of \$50,358.48 to the eligible Non-Compact tribes as shown in either Exhibit 1 or Exhibit 2. The exhibits are attached to this report. The supplemental distribution represents either an additional distribution for the quarter ended March 31, 2003 as described in the fourth paragraph of this report, or an additional shortfall distribution as described in the fifth paragraph of this report.

If Augustine is determined not to be eligible for the quarter ended March 31, 2003, the tribes listed in Exhibit 1 would receive moneys as an additional distribution of IGRSTF receipts for the quarter ended March 31, 2003. This distribution will be to all other eligible tribes resulting from redistribution in equal shares of the amount originally paid to and subsequently recouped from the Augustine Band of Cahuilla Mission Indians.

However, in the event Augustine is determined to be eligible for the quarter tribes listed in Exhibit 2 would receive moneys as an additional shortfall distribution for the fiscal year 2002-03 determined per Assembly Bill 673.

Exhibit 1**Additional Distribution for Quarter Ended March 31, 2003 if Augustine Band of Cahuilla Mission Indians Was Not Eligible for the Quarter Ended March 31, 2003**

Eligible Recipient Indian Tribe	Revised Distribution	Original Distribution	Additional Distribution
Alturas Indian Rancheria	\$51,039.15	\$50,358.63	\$680.52
Bear River Band of the Rohnerville Rancheria	51,039.15	50,358.63	680.52
Benton Paiute Reservation	51,039.15	50,358.63	680.52
Big Lagoon Rancheria	51,039.15	50,358.63	680.52
Big Pine Reservation	51,039.15	50,358.63	680.52
Big Sandy Rancheria	51,039.15	50,358.63	680.52
Blue Lake Rancheria	51,039.15	50,358.63	680.52
Bridgeport Paiute Indian Colony	51,039.15	50,358.63	680.52
Buena Vista Rancheria	51,039.15	50,358.63	680.52
Cahto Indian Tribe of Laytonville	51,039.15	50,358.63	680.52
Cahuilla Band of Mission Indians	51,039.15	50,358.63	680.52
California Valley Miwok Tribe	51,039.15	50,358.63	680.52
Cedarville Rancheria	51,039.15	50,358.63	680.52
Chemehuevi Indian Tribe	51,039.15	50,358.63	680.52
Cher-Ae Heights Indian Community	51,039.15	50,358.63	680.52
Chicken Ranch Rancheria	51,039.15	50,358.63	680.52
Cloverdale Rancheria	51,039.15	50,358.63	680.52
Cold Springs Rancheria	51,039.15	50,358.63	680.52
Colorado River Indian Tribes	51,039.15	50,358.63	680.52
Cortina Rancheria	51,039.15	50,358.63	680.52
Cuyapaipe Community of Mission Indians	51,039.15	50,358.63	680.52
Death Valley Timbi-Sha Shoshone Tribe	51,039.15	50,358.63	680.52
Dry Creek Rancheria	51,039.15	50,358.63	680.52
Elem Indian Colony	51,039.15	50,358.63	680.52
Elk Valley Rancheria	51,039.15	50,358.63	680.52
Enterprise Rancheria	51,039.15	50,358.63	680.52
Fort Bidwell Indian Community	51,039.15	50,358.63	680.52
Fort Independence Reservation	51,039.15	50,358.63	680.52
Fort Mojave Indian Tribe	51,039.15	50,358.63	680.52
Graton Rancheria	51,039.15	50,358.63	680.52
Greenville Rancheria	51,039.15	50,358.63	680.52
Grindstone Rancheria	51,039.15	50,358.63	680.52
Guidiville Rancheria	51,039.15	50,358.63	680.52
Hoopa Valley Tribe	51,039.15	50,358.63	680.52
Inaja-Cosmit Mission Indians	51,039.15	50,358.63	680.52
Ione Band of Miwok Indians	51,039.15	50,358.63	680.52
Jamul Indian Village	51,039.15	50,358.63	680.52

Exhibit 1 (Continued)**Additional Distribution for Quarter Ended March 31, 2003 if Augustine Band of Cahuilla Mission Indians Was Not Eligible for the Quarter Ended March 31, 2003**

Eligible Recipient Indian Tribe	Total Possible Distribution	Total Disbursed	Additional Distribution
Karuk Tribe of California	51,039.15	50,358.63	680.52
La Jolla Band of Mission Indians	51,039.15	50,358.63	680.52
La Posta Band of Mission Indians	51,039.15	50,358.63	680.52
Lone Pine Reservation	51,039.15	50,358.63	680.52
Los Coyotes Band of Cahuilla Indians	51,039.15	50,358.63	680.52
Lower Lake Rancheria	51,039.15	50,358.63	680.52
Lytton Rancheria	51,039.15	50,358.63	680.52
Manchester Point Arena Rancheria	51,039.15	50,358.63	680.52
Manzanita Mission Indians	51,039.15	50,358.63	680.52
Mechoopda Indian Tribe	51,039.15	50,358.63	680.52
Mesa Grande Mission Indians	51,039.15	50,358.63	680.52
Northfork Rancheria	51,039.15	50,358.63	680.52
Paiute Bishop Community	51,039.15	50,358.63	680.52
Pinoleville Reservation	51,039.15	50,358.63	680.52
Pit River Tribe	51,039.15	50,358.63	680.52
Potter Valley Rancheria	51,039.15	50,358.63	680.52
Picayune Rancheria	51,039.15	50,358.63	680.52
Quartz Valley Indian Community	51,039.15	50,358.63	680.52
Quechan Tribe of Fort Yuma	51,039.15	50,358.63	680.52
Ramona Mission Indians	51,039.15	50,358.63	680.52
Redwood Valley Rancheria	51,039.15	50,358.63	680.52
Resighini Rancheria	51,039.15	50,358.63	680.52
Round Valley Indian Tribe	51,039.15	50,358.63	680.52
Santa Rosa Band of Cahuilla Mission Indians	51,039.15	50,358.63	680.52
Santa Ysabel Mission Indians	51,039.15	50,358.63	680.52
Scotts Valley Band of Pomo Indians	51,039.15	50,358.63	680.52
Sherwood Valley Pomo Indians	51,039.15	50,358.63	680.52
Shingle Springs Rancheria	51,039.15	50,358.63	680.52
Smith River Rancheria	51,039.15	50,358.63	680.52
Stewarts Point Rancheria	51,039.15	50,358.63	680.52
Susanville Indian Rancheria	51,039.15	50,358.63	680.52
Table Bluff Reservation	51,039.15	50,358.63	680.52
Torrez-Martinez Mission Indians	51,039.15	50,358.63	680.52
Upper Lake Band of Pomo Indians	51,039.15	50,358.63	680.52
United Auburn Indian Community	51,039.15	50,358.63	680.52
Washoe Tribe of Nevada & California	51,039.15	50,358.63	680.52
Yurok Tribe of the Yurok Reservation	51,039.15	50,358.63	680.52
Total	\$3,776,897.10	\$3,726,538.62	\$50,358.48

Exhibit 2**Additional Shortfall Distribution for Fiscal Year 2002-03 if Augustine Band of Cahuilla Mission Indians Was Eligible for the Quarter Ended March 31, 2003**

Eligible Recipient Indian Tribe	Quarters Eligible	Total Possible Distribution	Total Disbursed	Additional Shortfall Distribution
Alturas Indian Rancheria	4	\$1,100,000.00	\$1,099,319.48	\$680.52
Bear River Band of the Rohnerville Rancheria	4	1,100,000.00	1,099,319.48	680.52
Benton Paiute Reservation	4	1,100,000.00	1,099,319.48	680.52
Big Lagoon Rancheria	4	1,100,000.00	1,099,319.48	680.52
Big Pine Reservation	4	1,100,000.00	1,099,319.48	680.52
Big Sandy Rancheria	4	1,100,000.00	1,099,319.48	680.52
Blue Lake Rancheria	4	1,100,000.00	1,099,319.48	680.52
Bridgeport Paiute Indian Colony	4	1,100,000.00	1,099,319.48	680.52
Buena Vista Rancheria	4	1,100,000.00	1,099,319.48	680.52
Cahto Indian Tribe of Laytonville	4	1,100,000.00	1,099,319.48	680.52
Cahuilla Band of Mission Indians	4	1,100,000.00	1,099,319.48	680.52
California Valley Miwok Tribe	4	1,100,000.00	1,099,319.48	680.52
Cedarville Rancheria	4	1,100,000.00	1,099,319.48	680.52
Chemehuevi Indian Tribe	4	1,100,000.00	1,099,319.48	680.52
Cher-Ae Heights Indian Community	4	1,100,000.00	1,099,319.48	680.52
Chicken Ranch Rancheria	4	1,100,000.00	1,099,319.48	680.52
Cloverdale Rancheria	4	1,100,000.00	1,099,319.48	680.52
Cold Springs Rancheria	4	1,100,000.00	1,099,319.48	680.52
Colorado River Indian Tribes	4	1,100,000.00	1,099,319.48	680.52
Cortina Rancheria	4	1,100,000.00	1,099,319.48	680.52
Cuyapaipe Community of Mission Indians	4	1,100,000.00	1,099,319.48	680.52
Death Valley Timbi-Sha Shoshone Tribe	4	1,100,000.00	1,099,319.48	680.52
Dry Creek Rancheria	3	825,000.00	824,319.48	680.52
Elem Indian Colony	4	1,100,000.00	1,099,319.48	680.52
Elk Valley Rancheria	4	1,100,000.00	1,099,319.48	680.52
Enterprise Rancheria	4	1,100,000.00	1,099,319.48	680.52
Fort Bidwell Indian Community	4	1,100,000.00	1,099,319.48	680.52
Fort Independence Reservation	4	1,100,000.00	1,099,319.48	680.52
Fort Mojave Indian Tribe	4	1,100,000.00	1,099,319.48	680.52
Graton Rancheria	4	1,100,000.00	1,099,319.48	680.52
Greenville Rancheria	4	1,100,000.00	1,099,319.48	680.52
Grindstone Rancheria	4	1,100,000.00	1,099,319.48	680.52
Guidiville Rancheria	4	1,100,000.00	1,099,319.48	680.52
Hoopa Valley Tribe	4	1,100,000.00	1,099,319.48	680.52
Inaja-Cosmit Mission Indians	4	1,100,000.00	1,099,319.48	680.52
Ione Band of Miwok Indians	4	1,100,000.00	1,099,319.48	680.52
Jamul Indian Village	4	1,100,000.00	1,099,319.48	680.52

Exhibit 2 (Continued)**Additional Shortfall Distribution for Fiscal Year 2002-03 if Augustine Band of Cahuilla Mission Indians Was Eligible for the Quarter Ended March 31, 2003**

Eligible Recipient Indian Tribe	Quarters Eligible	Total Possible Distribution	Total Disbursed	Additional Shortfall Distribution
Karuk Tribe of California	4	1,100,000.00	1,099,319.48	680.52
La Jolla Band of Mission Indians	4	1,100,000.00	1,099,319.48	680.52
La Posta Band of Mission Indians	4	1,100,000.00	1,099,319.48	680.52
Lone Pine Reservation	4	1,100,000.00	1,099,319.48	680.52
Los Coyotes Band of Cahuilla Indians	4	1,100,000.00	1,099,319.48	680.52
Lower Lake Rancheria	4	1,100,000.00	1,099,319.48	680.52
Lytton Rancheria	4	1,100,000.00	1,099,319.48	680.52
Manchester Point Arena Rancheria	4	1,100,000.00	1,099,319.48	680.52
Manzanita Mission Indians	4	1,100,000.00	1,099,319.48	680.52
Mechoopda Indian Tribe	4	1,100,000.00	1,099,319.48	680.52
Mesa Grande Mission Indians	4	1,100,000.00	1,099,319.48	680.52
Northfork Rancheria	4	1,100,000.00	1,099,319.48	680.52
Paiute Bishop Community	4	1,100,000.00	1,099,319.48	680.52
Pinoleville Reservation	4	1,100,000.00	1,099,319.48	680.52
Pit River Tribe	4	1,100,000.00	1,099,319.48	680.52
Potter Valley Rancheria	4	1,100,000.00	1,099,319.48	680.52
Picayune Rancheria	3	825,000.00	824,319.48	680.52
Quartz Valley Indian Community	4	1,100,000.00	1,099,319.48	680.52
Quechan Tribe of Fort Yuma	4	1,100,000.00	1,099,319.48	680.52
Ramona Mission Indians	4	1,100,000.00	1,099,319.48	680.52
Redwood Valley Rancheria	4	1,100,000.00	1,099,319.48	680.52
Resighini Rancheria	4	1,100,000.00	1,099,319.48	680.52
Round Valley Indian Tribe	4	1,100,000.00	1,099,319.48	680.52
Santa Rosa Band of Cahuilla Mission Indians	4	1,100,000.00	1,099,319.48	680.52
Santa Ysabel Mission Indians	4	1,100,000.00	1,099,319.48	680.52
Scotts Valley Band of Pomo Indians	4	1,100,000.00	1,099,319.48	680.52
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Table Bluff Reservation	4	1,100,000.00	1,099,319.48	680.52
Torrez-Martinez Mission Indians	4	1,100,000.00	1,099,319.48	680.52
Upper Lake Band of Pomo Indians	4	1,100,000.00	1,099,319.48	680.52
United Auburn Indian Community	3	825,000.00	824,319.48	680.52
Washoe Tribe of Nevada & California	4	1,100,000.00	1,099,319.48	680.52
Yurok Tribe of the Yurok Reservation	4	1,100,000.00	1,099,319.48	680.52
Total		\$80,575,000.00	\$80,524,641.52	\$50,358.48